
By: **Delegate O'Donnell**

Introduced and read first time: February 10, 2006

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Business Regulation - Fuel - Certification**

3 FOR the purpose of prohibiting certain legislative bills and certain regulations that
4 affect the composition, quality, distribution, consumption, or supply of fuel from
5 resulting in increased crude oil consumption in producing the fuel under certain
6 circumstances; requiring certain suppliers or marketers of bio-fuel to give a
7 certain preference to certain in-state bio-fuel producers; defining certain terms;
8 providing for the termination of this Act; and generally relating to fuel.

9 BY adding to

10 Article - State Government

11 Section 2-1505.3

12 Annotated Code of Maryland

13 (2004 Replacement Volume and 2005 Supplement)

14 BY adding to

15 Article - Business Regulation

16 Section 10-503

17 Annotated Code of Maryland

18 (2004 Replacement Volume and 2005 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

20 MARYLAND, That the Laws of Maryland read as follows:

21 **Article - State Government**

22 2-1505.3.

23 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
24 INDICATED.

25 (2) "BILL" HAS THE MEANING STATED IN § 2-1501 OF THIS SUBTITLE.

1 (3) "BIO-FUEL" MEANS A PRODUCT DERIVED FROM A BIO-MASS SOURCE
2 OR BIO-DIESEL THAT, WHEN BLENDED WITH FUEL, RESULTS IN DILUTING THE
3 CRUDE OIL ENERGY CONTENT OF THE PRODUCT.

4 (4) "BIO-MASS SOURCE" MEANS ETHANOL FROM GRAIN OR CELLULOSE.

5 (5) "BIO-DIESEL" MEANS A DIESEL PRODUCT DERIVED FROM
6 VEGETABLE OIL OR ANIMAL FAT.

7 (6) "FUEL" MEANS A PRODUCT THAT IS:

8 (I) DERIVED WHOLLY OR PARTLY FROM CRUDE OIL;

9 (II) SOLD IN THE STATE; AND

10 (III) USED FOR:

11 1. TRANSPORTATION;

12 2. RESIDENTIAL HEATING;

13 3. INDUSTRIAL HEATING;

14 4. COMMERCIAL HEATING; OR

15 5. POWER GENERATION.

16 (7) "REGULATION" HAS THE MEANING STATED IN § 10-101(G) OF THIS
17 ARTICLE.

18 (B) (1) A BILL OR REGULATION PROPOSED BY A UNIT OF THE EXECUTIVE
19 BRANCH OF STATE GOVERNMENT THAT AFFECTS THE COMPOSITION, QUALITY,
20 DISTRIBUTION, CONSUMPTION, OR SUPPLY OF FUEL MAY NOT RESULT IN
21 INCREASED CRUDE OIL CONSUMPTION IN PRODUCING THE FUEL UNLESS THE
22 SPONSOR OF THE BILL OR UNIT PROPOSING THE REGULATION IS ABLE TO CERTIFY
23 THAT ANOTHER ALTERNATIVE:

24 (I) DOES NOT EXIST; OR

25 (II) IS NOT REASONABLY COST-EFFECTIVE IN ADDRESSING THE
26 INTENDED PURPOSE OF THE LAW OR REGULATION.

27 (2) THE SPONSOR OF A BILL SHALL SUBMIT THE CERTIFICATION
28 REQUIRED BY PARAGRAPH (1) OF THIS SUBSECTION TO THE DEPARTMENT OF
29 LEGISLATIVE SERVICES FOR INCLUSION IN THE FISCAL AND POLICY NOTE
30 PREPARED FOR THE BILL.

31 (3) A UNIT OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT THAT
32 PROPOSES A REGULATION SHALL SUBMIT THE CERTIFICATION REQUIRED BY
33 PARAGRAPH (1) OF THIS SUBSECTION TO THE JOINT COMMITTEE ON
34 ADMINISTRATIVE, EXECUTIVE, AND LEGISLATIVE REVIEW.

1

Article - Business Regulation

2 10-503.

3 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
4 INDICATED.

5 (2) "BIO-FUEL" MEANS A PRODUCT DERIVED FROM A BIO-MASS SOURCE
6 OR BIO-DIESEL THAT, WHEN BLENDED WITH FUEL, RESULTS IN DILUTING THE
7 CRUDE OIL ENERGY CONTENT OF THE PRODUCT.

8 (3) "BIO-MASS SOURCE" MEANS ETHANOL FROM GRAIN OR CELLULOSE.

9 (4) "BIO-DIESEL" MEANS A DIESEL PRODUCT DERIVED FROM
10 VEGETABLE OIL OR ANIMAL FAT.

11 (5) "FUEL" MEANS A PRODUCT THAT IS:

12 (I) DERIVED WHOLLY OR PARTLY FROM CRUDE OIL;

13 (II) SOLD IN THE STATE; AND

14 (III) USED FOR:

15 1. TRANSPORTATION;

16 2. RESIDENTIAL HEATING;

17 3. INDUSTRIAL HEATING;

18 4. COMMERCIAL HEATING; OR

19 5. POWER GENERATION.

20 (B) IF THE COST AND CONTRACT TERMS OF A SUPPLY BIO-FUEL PRODUCED
21 IN THE STATE ARE EQUIVALENT TO OR MORE FAVORABLE THAN THE COST AND
22 CONTRACT TERMS OF A SUPPLY OF BIO-FUEL OFFERED FROM AN OUT-OF-STATE
23 PRODUCER, A SUPPLIER OR MARKETER OF BIO-FUEL IN THE STATE SHALL GIVE
24 PREFERENCE TO THE IN-STATE BIO-FUEL PRODUCER.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
26 October 1, 2006. It shall remain effective for a period of 3 years and, at the end of
27 September 30, 2009, with no further action required by the General Assembly, this
28 Act shall be abrogated and of no further force and effect.